

CALLINAN

ROYALTIES



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A Dividend-Paying Royalty Growth Company

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The Callinan Story

- “Cranberry” Jack Callinan was a prospector who staked claims at Flin Flon, Manitoba in 1916 where the Callinan Mine was later developed.
- Callinan was established from these properties in 1927. It is one of the oldest publicly-traded companies in Canada.
- The company restructured its property interests to royalty interests in 1968.
- Callinan continued as an exploration company and reorganized its properties into a new company in mid 2011, thereby creating Callinan Royalties Corporation.

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- Callinan is directed and managed by a small and focussed group of professionals.
- The Chairman of Callinan is Brian Irwin, who has experience and expertise in mining and corporate finance, securities law and corporate governance.
- The CEO of Callinan is Roland Butler, a geologist and co-founder of Altius Minerals Corporation, an exploration and royalty company, which is included in the S&P/TSX index.
- Directors of Callinan have experience in mining, finance, securities and corporate law.

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- Callinan has a sound capital structure with approximately 48.5 million shares outstanding.
- The company trades on the TSXV under the symbol CAA.
- Management of Callinan forms a large shareholder segment. We value every share.
- The shareholder base primarily are individuals and the institutional segment is likely to grow.
- Callinan is a financially strong company with no debt and approximately C\$25 million in cash.
- Royalty revenue has recently been several million dollars per quarter.

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- Callinan has two royalties on two mining projects in Manitoba, Canada.
- Two royalties - a profits-based royalty and a production royalty: 6.66% Net Profits Interest and \$0.25 / ton.
- Two mines - the currently producing 777 Mine and the 777 North Mine, which is under development.
- The mining operation produces copper, zinc, gold and silver and is operated by HudBay Minerals Inc.

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- Callinan initiated legal action against HudBay in 2007.
- Callinan is seeking information to verify the correct calculation of its royalty interests.
- Progress has been deliberate and methodical.
- A judgment by the Manitoba Court in July 2011 was in favour of Callinan.
- Callinan has retained Grant Thornton LLP to conduct an independent audit of the NPI calculations for four initial selected years, namely 1993, 2003, 2004 and 2007.
- Callinan has agreed to hold the law suit in abeyance during the conduct of the audit.

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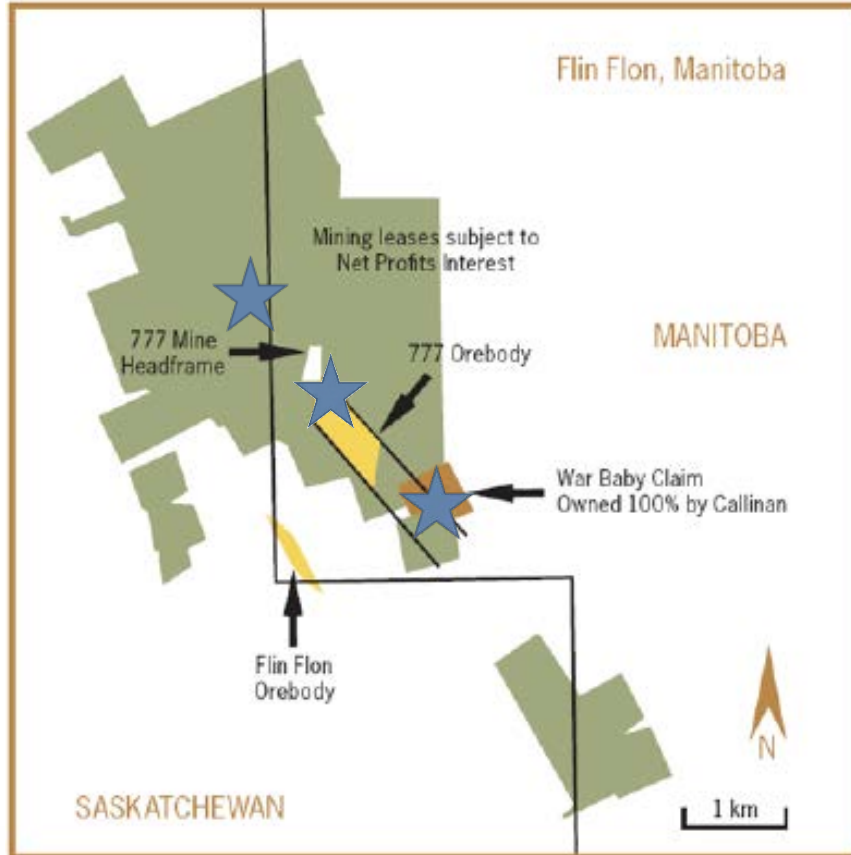
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NPI LEASES



777 North Mine



777 Mine



777 Deeps

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777 Mine in 2012

“Strong production is expected again in 2012 from HudBay's flagship 777 mine.

Copper grades at 777 are expected to be slightly higher than reserve grades mainly due to the areas planned for mining during 2012.

Operating costs are expected to be similar to costs experienced in the past several years.”

– Source: *HudBay Minerals, 2012 Guidance, December 19, 2011* (www.hudbayminerals.com)

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Callinan has a property located directly adjacent the 777 Mine known as 777 Deeps.

- Callinan has an option to buy an underlying 1.5% NSR royalty for C\$1.5 million.
- High-grade drill hole intercepts in 1995 include 3.64% copper over 9.9 metres.
- Exploration and development of the property from the 777 Mine remains a possibility.

Cash Allocation

Earnings at Callinan have nearly doubled in each of the last two years. The purposes of cash at Callinan are:

- Royalty creation through investments
- Royalty acquisitions
- Building cash reserves
- Share repurchases
- Dividends

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Dividends

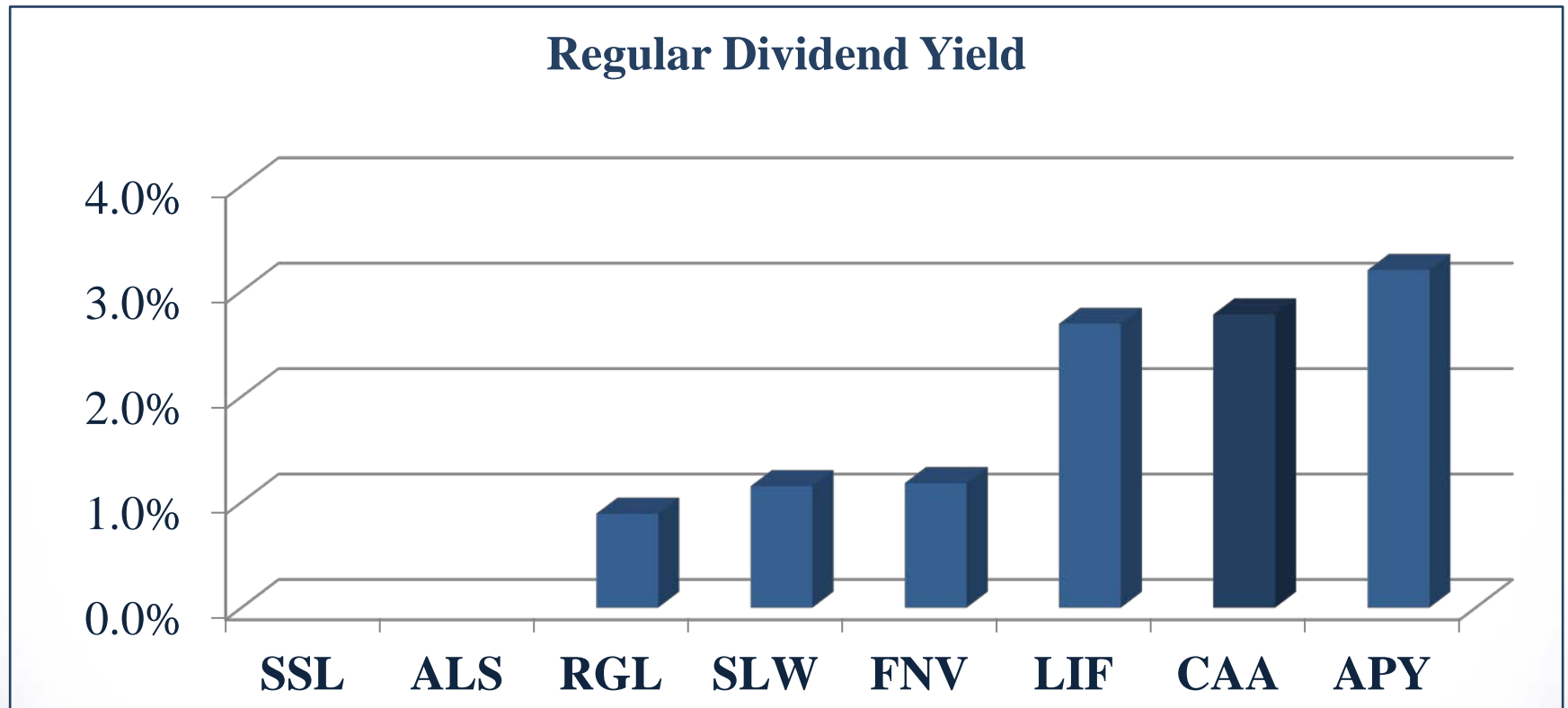
In the current market environment, dividends have become increasingly attractive.

- Mining companies have historically been low dividend payers
- Royalty companies like Callinan offer an attractive alternative
- Callinan presently offers a competitive dividend yield of approximately 3%
- Callinan's payout ratio is relatively low and sustainable with potential for dividend growth

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Dividends at Canadian-listed Royalty Companies



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Strategy

Callinan is a profitable, dividend-paying, royalty growth company with a strategy to achieve the following objectives:

- High free cash flow
- High return on invested capital
- High dividend yield

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The Callinan Story...

- Callinan is a royalty growth company.
- The company will focus on royalty creation and generation while seeking royalty acquisitions.
- A quarterly dividend policy has recently been adopted.
- Callinan regularly purchases its own shares on the open market for cancellation.

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“Ideally, to protect against inflation, you want a royalty on someone else’s sales so you don’t have to invest any more capital—you license it to them and you make money as their volume grows...”

*-Warren Buffett
Berkshire Hathaway AGM
April 30, 2011*

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TSXV:CAA